

SENATE, No. 957

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:

Senator CHRISTOPHER J. CONNORS
District 9 (Atlantic, Burlington and Ocean)

Co-Sponsored by:

Senators Greenstein, Holzapfel, Bateman, Madden and Turner

SYNOPSIS

Permits certain portion of municipal development trust funds to be spent on housing affordability assistance to veterans.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/5/2020)

1 AN ACT concerning affordable housing for veterans and amending
2 P.L.2008, c.46.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 8 of P.L.2008, c.46 (C.52:27D-329.2) is amended to
8 read as follows:

9 8. a. The council may authorize a municipality that has
10 petitioned for substantive certification, or that has been so
11 authorized by a court of competent jurisdiction, and which has
12 adopted a municipal development fee ordinance to impose and
13 collect development fees from developers of residential property, in
14 accordance with rules promulgated by the council. Each amount
15 collected shall be deposited and shall be accounted for separately,
16 by payer and date of deposit.

17 A municipality may not spend or commit to spend any affordable
18 housing development fees, including Statewide non-residential fees
19 collected and deposited into the municipal affordable housing trust
20 fund, without first obtaining the council's approval of the
21 expenditure. The council shall promulgate regulations regarding
22 the establishment, administration and enforcement of the
23 expenditure of affordable housing development fees by
24 municipalities. The council shall have exclusive jurisdiction
25 regarding the enforcement of these regulations, provided that any
26 municipality which is not in compliance with the regulations
27 adopted by the council may be subject to forfeiture of any or all
28 funds remaining within its municipal trust fund. Any funds so
29 forfeited shall be deposited into the "New Jersey Affordable
30 Housing Trust Fund" established pursuant to section 20 of
31 P.L.1985, c.222 (C.52:27D-320).

32 b. A municipality shall deposit all fees collected, whether or
33 not such collections were derived from fees imposed upon non-
34 residential or residential construction into a trust fund dedicated to
35 those purposes as required under this section, and such additional
36 purposes as may be approved by the council.

37 c. (1) A municipality may only spend development fees for an
38 activity approved by the council to address the municipal fair share
39 obligation.

40 (2) Municipal development trust funds shall not be expended to
41 reimburse municipalities for activities which occurred prior to the
42 authorization of a municipality to collect development fees.

43 (3) A municipality shall set aside a portion of its development
44 fee trust fund for the purpose of providing affordability assistance
45 to low and moderate income households in affordable units

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 included in a municipal fair share plan, in accordance with rules of
2 the council.

3 (a) Affordability assistance programs may include down
4 payment assistance, security deposit assistance, low interest loans,
5 common maintenance expenses for units located in condominiums,
6 rental assistance, and any other program authorized by the council.

7 (b) Affordability assistance to households earning 30 percent or
8 less of median income may include buying down the cost of low
9 income units in a municipal fair share plan to make them affordable
10 to households earning 30 percent or less of median income. The use
11 of development fees in this manner shall not entitle a municipality
12 to bonus credits except as may be provided by the rules of the
13 council.

14 (c) Up to 30 percent of the funds dedicated to affordability
15 assistance may be utilized for a program to assist first-time
16 homebuying veterans with grants for downpayment assistance,
17 provided that no individual participant shall be granted more than
18 \$15,000. For the purpose of this subparagraph, veterans shall mean
19 all persons having veteran status as enumerated in section 1 of
20 P.L.1983, c.391 (C.43:16A-11.7). No payment or grant received by
21 a veteran under this subsection shall be considered as income or
22 resources for the purpose of determining the eligibility or extent of
23 eligibility of any person for assistance under any State law or for
24 the purposes of the State's corporation tax law, State income tax or
25 other tax laws. Such payment shall not be considered as income or
26 resources of any recipient of public assistance and such payment
27 shall not be deducted from the amount of aid to which the recipient
28 would otherwise be entitled.

29 (4) A municipality may contract with a private or public entity
30 to administer any part of its housing element and fair share plan,
31 including the requirement for affordability assistance, or any
32 program or activity for which the municipality expends
33 development fee proceeds, in accordance with rules of the council.

34 (5) Not more than 20 percent of the revenues collected from
35 development fees shall be expended on administration, in
36 accordance with rules of the council.

37 d. The council shall establish a time by which all development
38 fees collected within a calendar year shall be expended; provided,
39 however, that all fees shall be committed for expenditure within
40 four years from the date of collection. A municipality that fails to
41 commit to expend the balance required in the development fee trust
42 fund by the time set forth in this section shall be required by the
43 council to transfer the remaining unspent balance at the end of the
44 four-year period to the "New Jersey Affordable Housing Trust
45 Fund," established pursuant to section 20 of P.L.1985, c.222
46 (C.52:27D-320), as amended by P.L.2008, c.46 (C.52:27D-329.1 et
47 al.), to be used in the housing region of the transferring
48 municipality for the authorized purposes of that fund.

1 e. Notwithstanding any provision of this section, or regulations
2 of the council, a municipality shall not collect a development fee
3 from a developer whenever that developer is providing for the
4 construction of affordable units, either on-site or elsewhere within
5 the municipality.

6 This section shall not apply to the collection of a Statewide
7 development fee imposed upon non-residential development
8 pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1
9 et seq.) by the State Treasurer, when such collection is not
10 authorized to be retained by a municipality.

11 (cf: P.L.2008, c.46, s.8)

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13 2. This act shall take effect immediately.

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STATEMENT

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18 Current law permits a municipality that is authorized to collect
19 affordable housing fees under the rules of the Council on
20 Affordable Housing (COAH) to set aside amounts from the fees
21 collected to provide affordability assistance programs, which may
22 include down payment assistance, security deposit assistance, low
23 interest loans, common maintenance expenses for units located in
24 condominiums, rental assistance, and any other program authorized
25 by the COAH.

26 This bill would provide that up to 30 percent of the development
27 fee amounts permitted to be spent on affordability assistance
28 programs may be directed to a municipal program for first-time
29 homebuying veterans, to provide grants for downpayment
30 assistance. Grants under the program would be limited to \$15,000
31 per recipient, and would not be considered as income concerning
32 eligibility requirements for other State programs, or for purposes of
33 taxation. The bill will help veterans by supplementing other State
34 programs available for first-time homebuyers, such as the low-
35 interest loans program offered by the New Jersey Housing and
36 Mortgage Finance Agency.